

How Does the Guaranteed Prescription Drug Benefit Work for Seniors?

More than 40 million senior and disabled Americans today rely on Medicare for their primary health care needs. And since Medicare was created in 1965 as the prime gateway to doctor and hospital services, it has never included a guaranteed, universally available ***Pharmaceutical Benefit*** to those who need it. That will change when President Bush signs into law the Medicare-Prescription Drug bill.

Beginning in 2006, Medicare will begin offering, on a voluntary basis, an affordable ***Prescription Drug Benefit*** to America's senior citizens, but the right to choose this new benefit will be in the hands of beneficiaries – not the government. The concept is simple: if you already have employer-sponsored pharmaceutical coverage you are happy with – you can keep it. But if you don't like your current Rx coverage or don't have any coverage to begin with, you'll now have the choice to add this new affordable option to your current Medicare plan. Most importantly, either way, **you'll see no loss of current benefits!**

Under the new ***Rx Benefit***, Medicare will pay 75% of the typical senior's medicine costs up to \$2,250 a year and 95% of their out-of-pocket expenses over \$3,600 a year after the beneficiary takes care of a monthly premium (\$35) and annual deductible (\$250). In addition, low-income seniors (singles under \$12,900 a year & couples under \$16,600) will have comprehensive coverage (with no gap) and only a \$2 generic and \$5 name-brand prescription co-payment.

The Department of Health & Human Services previously estimated a similar ***Pharmaceutical Benefit*** would help seniors and disabled Americans realize significant savings off what they currently pay. In particular, HHS reported beneficiaries currently without coverage could cut their medication bills in half (up to 50% off) – while at the same time, keeping runaway drug costs in check by making the average senior only responsible for 5% of out-of-pocket costs over \$3,600 a year. This is a big boost for seniors on limited, fixed-incomes.